NORTHWEST TERRITORIES

COMMUNITY FUTURES PROGRAM

2013/14 ANNUAL REPORT

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Northwest Territories Industry, Tourism and Investment

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Community Futures Program
2013/14 Annual Report
Department of Industry, Tourism and Investment

Minister's Message
2013/14 Community Futures Annual Report

The Department of Industry, Tourism and Investment is committed to building a diversified economy that will provide stability in all types of economic cycles.

Encouraging business development within each region of the Northwest Territories (NWT) is a key component in achieving this.

The seven NWT Community Futures Development Corporations provide our regions with the flexibility to tailor programs specifically to their residents' needs and set their own development priorities.

By delivering training workshops, small business financing and professional planning assistance, the Community Futures Development Corporations provide guidance and support to all 33 NWT communities.

In the 2013-2014 fiscal year, the activities of the Community Futures Development Corporations resulted in the creation and maintenance of 166 full-time and 108 part-time jobs in the NWT. This accomplishment would not be possible without the dedication and diligence of the Community Futures Development Corporation board and staff members.

On behalf of the Government of the Northwest Territories, I would like to recognize the ongoing efforts of the Community Futures Development Corporations and the innovation of our local community of businesses and entrepreneurs.

Honourable David Ramsay
Minister of Industry, Tourism and Investment

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EXECUTIVE SUMMARY

This 2013/14 Annual Report provides performance data regarding the seven Community Futures Development Corporations (CFDCs) in the Northwest Territories (NWT). The Government of the Northwest Territories (GNWT), through the Department of Industry, Tourism and Investment (ITI) Community Futures Program, currently funds six of the seven CFDCs currently operating in the NWT.

ITI views this program as important to its economic development efforts and supports CFDCs through:

- Year-to-year contribution funding for operations;
- Non-repayable investment fund capital;
- Access to low cost capital via the NWT Business Development and Investment Corporation (BDIC).

The corporations operate independently of government as community-based, non-profit organizations overseen by a volunteer Board of Directors drawn from the communities served by their respective organizations.

Program Highlights – 2013/14

- CFDCs operate in all 33 communities in the NWT and directly employ 12 people. CFDCs rely on the skills and judgement of their employees and 38 community-based volunteer board members.

- The activity of the CFDCs created and/or maintained 166 full-time and 108 part-time jobs in the NWT in the 2013/14 fiscal year.

- CFDCs granted 79 loans totalling $3.42 million during the 2013/14 fiscal year. In 2012/13 they granted 122 loans totalling $5.01 million. The average size of each loan in 2013/14 was $43,291, compared to $41,029 in 2012/13.

- Of the total loan disbursements, just over $1.75 million was disbursed in Level 2 communities (see page eight) in fiscal 2013/14. In 2012/13 that total was $2.08 million.

- Overall, CFDCs held a total loan portfolio balance of $9.61 million, a decrease of $697,466 from the 2012/13 balance of $10.31 million.

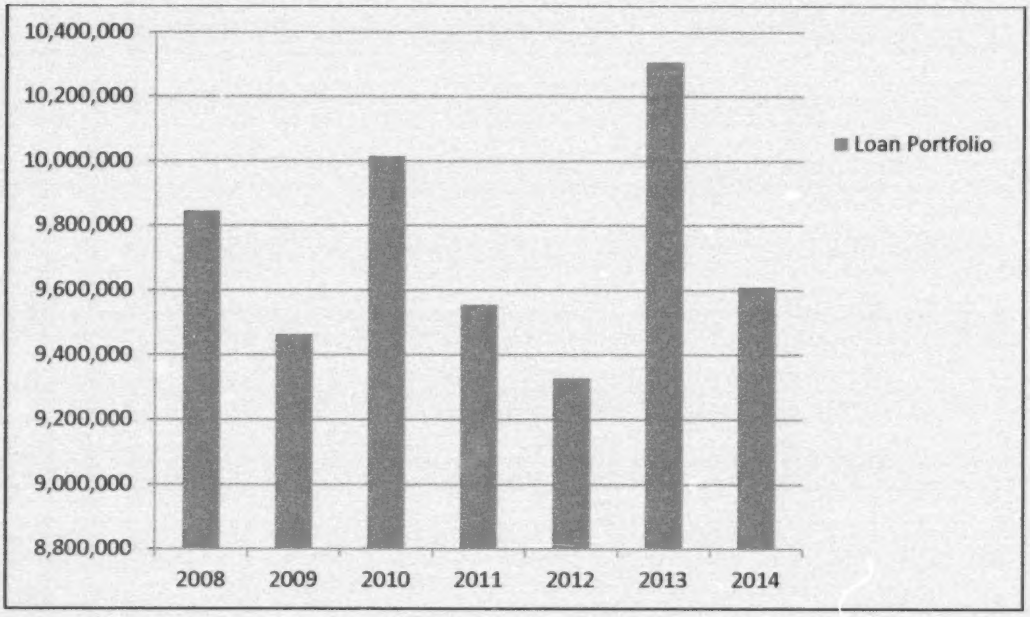
- Total program funding provided by ITI to CFDCs was $1.32 million in 2013/14.

- The total low cost loan capital provided by BDIC to CFDCs was $1.52 million compared to $1.36 million in 2012/13.

- Since their inception, CFDCs have been provided $6.23 million in non-repayable capital funding and the GNWT has contributed $3.73 million of that total.

Total Value of Loans Portfolio by Year

As noted in the highlights, the CFDC loan portfolio balance totals $9.61 million. This represents a significant amount in terms of small business borrowings in the NWT and is testament to the enthusiasm and hard work of the board members and staff of these organizations, as well as to the dynamic efforts of NWT entrepreneurs.



PROGRAM DESCRIPTION

The mandate of each CFDC is to support community and business development through the creation and expansion of small and medium sized enterprises and the creation and maintenance of employment opportunities in NWT communities. CFDCs provide some or all of the following services:

- Term loans and loan guarantees;
- Lines of credit;
- Letters of credit;
- Business planning and assistance;
- Information and training for entrepreneurs via regional workshops;
- Management training, monitoring and after-care;
- Access to business information and the Canada Business-NWT Service Centres;
- Access to state-of-the-art video conferencing technology; and
- Delivery of the Self-Employment Option Program.*This is a Human Resources Development Canada program delivered by the GNWT Department of Education, Culture and Employment (ECE).

CFDCs also have the flexibility to set their own priorities for economic development in their respective regions. This may include programs specific to the businesses in their regions, as well as special interest group initiatives such as targeted support for Aboriginal entrepreneurs, youth entrepreneurs and women in business.

A CFDC loan can be as large as $200,000. Investment and loan funds administered by these corporations are designed to complement conventional funding provided by other financial institutions, the Business Development Bank of Canada or other territorial and federal funding programs.

Finally, and perhaps most importantly, CFDCs are staffed by employees trained in the field of community economic development. They are a valuable resource to prospective entrepreneurs, seasoned managers looking for that extra edge and local leaders seeking help in determining the future direction their community will take. CFDC employees make varied and invaluable contributions to the NWT economy.

* The Self-Employment Options Program allows eligible individuals to continue receiving Employment Insurance while starting and establishing a small business.

PROGRAM BACKGROUND

The Community Futures Program was established in 1985 by Employment and Immigration Canada, now Employment and Social Development Canada (ESDC), which was responsible for the establishment of CFDCs throughout rural Canada. The program was part of a major effort by the Government of Canada to provide financial assistance in areas experiencing significant hardship due to loss of industry.

In the NWT, the program started in 1987 in response to the closure of the Pine Point mine with the formation of the Hay River and Area Community Futures Society. This is now known as the Southwest Territorial Business Development Corporation. A second program was formed in Inuvik in 1988 following the closure of the military base there and a downturn in oil and gas activity.

In 1994, Human Resources and Skills Development (HRSD) entered into negotiations to transfer the program to regional economic development agencies across Canada. In the NWT, where no federal economic development agency existed, the program was transferred to the GNWT. It is now administered by ITI.

At the time of the transfer, four CFDCs operated in the NWT. The transfer agreement provided annual funding of approximately $900,000, of which $819,000 was operational funding for the four CFDCs, with the remainder of the funding used for a community futures consultant.

On April 1, 1999, the Territory of Nunavut was formed. Two of the four CFDCs were located in Nunavut and this resulted in an annual funding decrease for the NWT Community Futures Program budget of approximately $400,000.

Since 2000, the GNWT has funded the addition of five new community futures organizations. There are now seven CFDCs operating in the NWT and all 33 NWT communities have access to the program. The seven organizations are:

Akaitcho Business Development Corporation	ABDC	Yellowknife
Dogrib Area Community Futures	DACF	Whati
Dehcho Business Development Centre	DBDC	Fort Simpson
Sahtu Business Development Centre	SBDC	Norman Wells
Southwest Territorial Business Development Corporation	SWTBDC	Hay River
Thebacha Business Development Services	TBDS	Fort Smith
Western Arctic Business Development Corporation	WABDC	Inuvik

Despite major challenges — high operating costs, limited operational and capital resources, the isolation of NWT communities and a shortage of qualified workers — CFDCs in the NWT have been remarkably successful in meeting the needs of small businesses. The GNWT considers them a vital component in the economic development of the territory.

LOCAL INVOLVEMENT – Serving the Community

CFDCs are overseen by a volunteer Board of Directors. The members are drawn from the communities served by the respective corporation. CFDCs expend considerable resources in the training, guidance and assistance of local entrepreneurs and community leaders.

Board Member and Staffing Contingents

REGION	CFDC	BOARD MEMBERS	STAFF	# COMMUNITIES SERVED	POPULATION SERVED [1]
DEHCHO	DEHCHO	8	2	6	2,281
INUVIK	WESTERN ARCTIC	7	2 [2]	8	6.898
NORTH SLAVE	AKAITCHO	7	3	2 [3]	20,176
	DOGRIB	4	0 [4]	4	2,974
SAHTU	SAHTU	4 [5]	2	5	2,560
SOUTH SLAVE	SOUTHWEST TERRITORIAL	2 [6]	1	3	4,132
	THEBACHA	6	2	5	4,174
TOTAL		**38**	**12**	**33**	**43,195**

Thirty-eight (38), of a possible forty-two (42) board members were actively involved with CFDCs in 2013/14.

Notes from table:

1 Population statistics are drawn from the Annual Population Estimates, NWT Bureau of Statistics. Numbers listed do not include communities with a population of 50 or less or unorganized areas.

2 Western Arctic: Loans officer position was filled on June 10th 2013.

3 Akaitcho: This Community Futures Development Corporation actually serves three communities. However, N'dilo is not listed separately from Yellowknife by the NWT Bureau of Statistics for the purposes of the population estimates (see also Page 11).

4 Dogrib: Staff positions were vacant as of March 31, 2013.

5 Sahtu: Three board positions were vacant as of March 31, 2013.

6 Southwest Territorial: One board position vacant as of Mach 31, 2013.

LOAN ACTIVITY – Number and Value of Loans Approved

Economic development is a dynamic and evolving field of work. Demand for loan financing varies and not all loan applications are approved. All lenders, including those at CFDCs, must exercise prudent decision-making and good judgement.

Number of Loans Approved

REGION	CFDC	2013/14	2012/13
DEHCHO	DEHCHO	19	28
INUVIK	WESTERN ARCTIC	7	43
NORTH SLAVE	AKAITCHO	6	14
	DOGRIB	0	0
SAHTU	SAHTU	37	16
SOUTH SLAVE	SOUTHWEST TERRITORIAL	4	10
	THEBACHA	6	11
TOTAL		**79**	**122**

Value of Loans Approved

REGION	CFDC	2013/14	2012/13
DEHCHO	DEHCHO	$ 1,006,092	$ 949,234
INUVIK	WESTERN ARCTIC	539,930	1,309,043
NORTH SLAVE	AKAITCHO	400,000	689,000
	DOGRIB	0	0
SAHTU	SAHTU	598,000	1,004,659
SOUTH SLAVE	SOUTHWEST TERRITORIAL	407,000	534,000
	THEBACHA	469,000	519,580
TOTAL		**$ 3,420,022**	**$ 5,005,516**

LOAN ACTIVITY – Some Comparatives

In 2013/14, the seven NWT CFDCs made 79 loans with a disbursement value of $3.42 million. The table below shows how these numbers compare to the rest of Canada (excluding Québec and Yukon).

2013/14	Average # of loans per operating CFDC	Average value of loans per operating CFDC
NWT	11.29	$ 488,575
Canada	20.03	$ 1,011,056

2013/14	Average # of loans per capita (by '000 people)	Average value of loans per capita (by '000 people)
NWT	1.83	$ 79,176
Canada	0.40	$ 20,547

IMPACT ON COMMUNITIES – Loan Activity by Community Level

One objective of the Community Futures Program is to encourage increased business development in rural and remote communities. It does this by providing small business loans to small and medium sized enterprises. These funds may also be used to leverage other financing. The current and cumulative impacts of the CFDCs in the NWT are as substantial as they are positive.

ITI policy classifies the economic activity and potential of NWT communities into two levels:

Level 1 Communities

- These are the most developed communities in the NWT and are characterized by well-developed community business infrastructure and air/road transportation links.
- Includes the communities of Fort Smith, Hay River, Inuvik and Yellowknife.

Level 2 Communities

- These are communities with less-developed business infrastructure and air/road transportation links.
- Includes all NWT communities not listed as Level 1.

Loan Activity by Community Level (by fiscal year)

	CFDC	2013/14		2012/13	
		Total Value	#	Total Value	#
LEVEL 1	AKAITCHO	$ 400,000	6	$ 644,000	13
	SOUTHWEST TERRITORIAL	357,000	3	534,000	10
	THEBACHA	469,000	6	459,580	10
	WESTERN ARCTIC	439,930	6	1,284,043	42
TOTAL		**$ 1,665,930**	**21**	**$ 2,924,623**	**75**
LEVEL 2	AKAITCHO	$ 0	0	$ 45,000	1
	DEHCHO	1,006,092	19	949,234	28
	DOGRIB	0	0	0	0
	SAHTU	598,000	37	1,004,659	16
	THEBACHA	0	0	60,000	1
	WESTERN ARCTIC	100,000	1	25,000	1
	SOUTHWEST TERRITORIAL	50,000	1	0	0
TOTAL		**$ 1,754,092**	**58**	**$ 2,083,893**	**47**

IMPACT ON COMMUNITIES – Jobs Created by Region

CFDCs in the NWT assist with the creation and maintenance of many jobs every year. CFDCs created and/or maintained some 166 full-time and 108 part-time jobs in the NWT during 2013/14.

Number of Full-time Jobs Created and Maintained (2013/14)

REGION	CFDC	FULL-TIME JOBS CREATED	FULL-TIME JOBS MAINTAINED
DEHCHO	DEHCHO	1	20
INUVIK	WESTERN ARCTIC	17	12
NORTH SLAVE	AKAITCHO	2	40
	DOGRIB	0	0
SAHTU	SAHTU	26	16
SOUTH SLAVE	SOUTHWEST TERRITORIAL	2	1
	THEBACHA	3	26
TOTAL		**51**	**115**

Number of Part-time Jobs Created and Maintained (2013/14)

REGION	CFDC	PART-TIME JOBS CREATED	PART-TIME JOBS MAINTAINED
DEHCHO	DEHCHO	11	18
INUVIK	WESTERN ARCTIC	24	34
NORTH SLAVE	AKAITCHO	5	0
	DOGRIB	0	0
SAHTU	SAHTU	4	0
SOUTH SLAVE	SOUTHWEST TERRITORIAL	0	4
	THEBACHA	4	4
TOTAL		**48**	**60**

ITI FUNDING

The following figures refer to ITI funding provided to CFDCs for fiscal years 2012/13 and 2013/14.

Total Funding Provided to CFDC by ITI

REGION	CFDC	2013/14	2012/13
DEHCHO	DEHCHO	$ 311,630	$ 311,630
INUVIK	WESTERN ARCTIC	239,270	239,270
NORTH SLAVE	AKAITCHO	263,920	263,920
	DOGRIB	0	0
SAHTU	SAHTU	333,000	333,000
SOUTH SLAVE	SOUTHWEST TERRITORIAL	0	0
	THEBACHA	174,660	174,660
TOTAL		**$ 1,322,480**	**$ 1,322,480**

Funding Provided to CFDC – Operational

(Contribution agreement and other contract based funding)

REGION	CFDC	2013/14	2012/13
DEHCHO	DEHCHO	$ 203,630	$ 203,630
INUVIK	WESTERN ARCTIC	239,270	239,270
NORTH SLAVE	AKAITCHO	155,420	155,420
	DOGRIB	0	0
SAHTU	SAHTU	213,000	213,000
SOUTH SLAVE	SOUTHWEST TERRITORIAL	0	0
	THEBACHA	174,660	174,660
TOTAL		**$ 985,980**	**$ 985,980**

Funding Provided to CFDC – Economic Development Officer

(Community Transfer Initiatives)

REGION	CFDC	2013/14	2012/13
DEHCHO	DEHCHO	$ 108,000	$ 108,000
NORTH SLAVE	AKAITCHO	108,500	108,500
SAHTU	SAHTU	120,000	120,000
TOTAL		**$ 336,500**	**$ 336,500**

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

AKAITCHO BUSINESS DEVELOPMENT CORPORATION

PO Box 427, Yellowknife, NT X1A 2N3
Tel: (867) 920-2502 Fax: (867) 920-0363
E-mail: akaitcho@akaitchobdc.com, rstarnau@akaitchobdc.com

Communities Served	Yellowknife, N'dilo and Dettah
Population of Service Area	20,176 (July 1st 2014, Annual Population Estimates, NWT Bureau of Statistics)
Services Provided	Commercial lending Business information and skills development Business Seminars Small business counselling Monitoring and aftercare services Assistance with writing business plans Assistance with applications to funding agencies Self-employment options program
Staff	Raymond St. Arnaud — General Manager Margaret Pawluk — Senior Business Analyst Vacant — Business Analyst
Incorporated	Not-for-profit corporation, *Canada Business Corporations Act* Designated as an Aboriginal financial institution by the Government of Canada
Board	Seven member volunteer board
	Chair: Darrell Beaulieu Secretary-Treasurer: Shirley Tsetta Directors: Jonas Sangris Roy Erasmus Jr. John Hazenberg Steve Meister Patrick Doyle

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

DEHCHO BUSINESS DEVELOPMENT CENTRE

PO Box 240, Fort Simpson, NT X0E 0N0
Tel: (867) 695-2441 Fax: (867) 695-2052
E-mail: toddn@northwestel.net

Communities Served	Fort Simpson, Fort Liard, Jean Marie River, Nahanni Butte, Wrigley and Trout Lake
Population of Service Area	2,281 (July 1st 2014, Annual Population Estimates, NWT Bureau of Statistics)
Services Provided	Commercial lending General business assistance Small business resource centre Video conferencing
Staff	Todd Noseworthy — General Manager Sean Whelly — Business Development Officer
Incorporated	Not-for-profit corporation, *Canada Business Corporations Act* Designated as an Aboriginal financial institution by the Government of Canada
Board	Eight member volunteer board
	Chair: Ron McCagg* Vice-Chair: Larry Campbell Secretary-Treasurer: Shadab Khan Directors: Dennis Deneron Pauline Simba Jarvis Tsetso Yvonne Norwegian Albert Moses

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

DOGRIB AREA COMMUNITY FUTURES

PO Box 92, Whatì, NT X0E 1P0
Tel: (867) 573-3140, Fax: (867) 573-3142

Communities Served	Behchokǫ̀, Whatì, Gamètì and Wekweètì	
Population of Service Area	2,974 (July 1st, 2014 Annual Population Estimates, NWT Bureau of Statistics)	
Services Provided	Commercial lending Canada business-NWT access site	
Staff	Vacant	General Manager
Incorporated	Society, *Societies Act* of the Northwest Territories Designated as an Aboriginal financial institution by the Government of Canada	
Board	Four member volunteer board	
	Chair: Directors:	Luke Grosco David Wedawin Nora Simpson George Nitsiza

* Notice: In fiscal 2010/11 and continuing through 2013/14, the Dogrib Area Community Futures (DACF) began a reorganization process. The DACF can be contacted via the Industry, Tourism and Investment office in Behchokǫ̀. Please address correspondence to:

Mr. Luke Grosco
Dogrib Area Community Futures
PO Box 70
Behchokǫ̀, NT X0E 0Y0

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

SAHTU BUSINESS DEVELOPMENT CENTRE

PO Box 307, Norman Wells, NT X0E 0V0
Tel: (867) 587-2016 Fax: (867) 587-2407
E-mail: exec.dir.sbdc@theedgenw.ca

Communities Served	Norman Wells, Tulıt'a, Délı̨ne, Colville Lake and Fort Good Hope	
Population of Service Area	2,560 (July 1st 2014, Annual Population Estimates, NWT Bureau of Statistics)	
Services Provided	Commercial lending General business assistance Small business resource centre Video conferencing	
Staff	Gregor Harold McGregor Nicky Richards	Executive Director Economic Development Officer
Incorporated	Not-for-profit corporation, *Canada Business Corporations Act* Designated as an Aboriginal financial institution by the Government of Canada	
Board	Seven member volunteer board	
	Chair: Secretary/Treasurer: Directors:	Tanya McCauley Vacant Trudy Kochon Sally-Ann Horassi David Codzi Vacant Vacant

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

SOUTHWEST TERRITORIAL BUSINESS DEVELOPMENT CORPORATION

Suite #7, 6 Courtoreille St., Hay River, NT X0E 1G2
Tel: (867) 874-2510 Fax: (867) 874-3255
E-mail: swtbdc@northwestel.net

Communities Served	Hay River, Enterprise and Kátlodééche First Nation (Hay River Reserve)
Population of Service Area	4,132 (July 1st, 2014 Annual Population Estimates, NWT Bureau of Statistics)
Services Provided	Commercial lending Canada business-NWT access site
Staff	Jeff Griffiths — General Manager
Incorporated	Not-for-profit corporation, *Canada Business Corporations Act*
Board	Three member volunteer board
	Chair: Sharon Dragon Directors: Gary Viziowski Vacant

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

THEBACHA BUSINESS DEVELOPMENT SERVICES

PO Box 25, Fort Smith, NT X0E 0P0
Tel: (867) 872-2795 Fax: (867) 872-2824
E-mail: tbds_manager@northwestel.net

Communities Served	Fort Smith, Łutselk'e, Fort Resolution, Fort Providence and Kakisa	
Population of Service Area	4,174 (July 1st, 2014 Annual Population Estimates, NWT Bureau of Statistics)	
Services Provided	Commercial lending Small business resource centre Video conferencing Self-employment options program	
Staff	Linda Martin Pamela Leguerrier*	General Manager Administrative Assistant
Incorporated	Not-for-profit corporation, *Canada Business Corporations Act*	
Board	Six member volunteer board	
	Chair: Directors:	Tom Lockhart Jeannie-Marie Jewell Earl Jacobson Arthur Beck George Kurszewski Stephen Cuthbert

*Note: Casual Administrative Assistant

NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

WESTERN ARCTIC BUSINESS DEVELOPMENT CORPORATION

Suite 204, 125 Mackenzie Road, PO Box 2360 Inuvik, NT X0E 0T0
Tel: (867) 777-2836 Fax: (867) 777-3470, 1-800-244-1203
E-mail: generalmanager@northwestel.net

Communities Served	Inuvik, Tuktoyaktuk, Aklavik, Fort McPherson, Paulatuk, Ulukhaktok, Sachs Harbour and Tsiigehtchic
Population of Service Area	6,898 (July 1st, 2014 Annual Population Estimates, NWT Bureau of Statistics)
Services Provided	Commercial Lending Lines of Credit Letters of Credit Loan Guarantees Small Business Counselling and Advisory Services Entrepreneurial Training Canada Business–NWT Access Site Video Conferencing Self-Employment Options Program
Staff	Brent Kay — General Manager Arthur Barrows* — Loans Officer
Incorporated	Not-for-profit corporation, *Canada Corporations Act*
Board	Seven member volunteer board
	Chair: Clarence Wood (Town) Vice-Chair: Doug Robertson (Inuvik) Treasurer: Derek Lindsay (Member at large) Secretary: Tag Connell (Delta) Directors: William Koe (Gwich'in) Ray Ruben (Nanakput) Vernon Amos (Inuvialuit)

* Note: Position was filled on June 10th 2013.

Industry, Tourism and Investment